

September 18, 2020

Honorable Los Angeles City Councilmember Cedillo and the honorable rest of the Los Angeles City Council,

I am writing today concerning the impending renewal<sup>1</sup> of the Chinatown Business Improvement District (“BID”). This BID’s activities, funded with public money, are harmful to the citizens of Los Angeles and its continued existence is detrimental to this City’s civic life.

The Chinatown BID is pernicious for many reasons. Others have told you about most of them more eloquently and more knowledgeably than I can, so in this letter I focus solely on the lawless and profligate behavior of George Yu, the BID’s executive director,<sup>2</sup> with respect to the California Public Records Act (“CPRA”), with which BIDs are required to comply by the Constitution of California.

In 2018 Katherine McNenny and I were forced by the BID’s refusal to comply with the CPRA to file a petition seeking to compel the BID to comply with its duties. The BID failed to participate in the lawsuit at all. They filed no pleadings and made not even a single court appearance.

Such petitions are not granted by default in California, so we made our case to the judge. He found in our favor and ordered the BID to produce the records and pay our attorneys’ fees. Yu ignored the order and was subsequently found in contempt of court. At this point the Chinatown BID owes our attorneys more than \$50,000 and is in ongoing violation of two distinct court orders.

The contempt that Yu and his board of directors have shown for the judicial process is paralleled by their contempt for the value of the assessment money that funds their operations. At about the same time our judge found Yu in contempt the City of Los Angeles passed a motion<sup>3</sup> allocating \$25,000 for a BID consultant to assist Yu in the renewal process.

Other BIDs manage to use their own money to hire consultants. The fact that Yu couldn’t come up with \$25,000 to pay the consultant along with the fact that he and his Board of Directors have been willing to voluntarily waste many tens of thousands of dollars on legal fees shows that he’s not a responsible steward of the public money that funds his BID. This expense was entirely predictable and yet the BID chose not to allocate money for it.

The money, of course, is not the only issue. Yu and the BID’s constant violations of the CPRA show contempt for the laws and Constitution of California. Renewing the BID would be a betrayal of your constituents and of the trust we’ve placed in you by allowing you to care for our City.

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<sup>1</sup>I’m aware that for technical reasons this is a BID establishment rather than a renewal. I’m using the word “renewal” because it’s appropriate in this case and will lead to no confusion.

<sup>2</sup>Technically Yu is the executive director of the property owners’ association which administers the BID. This is a distinction without a difference in this case since the property owners’ association has no existence apart from the BID.

<sup>3</sup>See CF 12-0489.

As I said, I urge you to vote against the BID renewal. However, if you find yourself unable to do so, let me suggest a compromise. The Chinatown BID is funded not only by large commercial property owners but also by dozens of tiny parcels, many of them owned by family associations, churches, historical societies, and other such organizations. These groups have been part of the political, social, and commercial life of Chinatown for generations. They're not wealthy and yet with the Chinatown BID the City of Los Angeles forces them to financially support Yu's profligacy.

The Property and Business Improvement District Act of 1994, which is the statute authorizing you to renew this BID, explicitly allows you to remove properties from the BID after the hearing or, alternatively, to reduce their assessments at your pleasure.<sup>4</sup>

Please consider, therefore, removing smaller property owners, nonprofits, churches, family associations, and so on, from the BID entirely. Failing that, consider reducing their assessments to zero. I am sure you'll hear from many of these owners before or during the hearing and I hope, while listening, that you will keep this idea in mind.

Finally, although I said that I would focus on George Yu and the CPRA, in closing I just want to mention one incident which reveals a very unpleasant side of Yu's character. In March 2019 Yu exchanged emails with LAPD Officer Stephen Nichols<sup>5</sup> about the electrocution of homeless residents of Chinatown. Yu told Nichols that he'd rather not have exposed streetlight wires repaired to encourage this, which he referred to as "natural selection."

This is the person you will be choosing to control millions of dollars in public money, much of it spent on private security guards, if you approve the Chinatown BID. Even if Yu was joking, the joke reveals a man the City should repudiate. Please don't choose to elevate him to a position of trust by renewing his BID.

Thank you for your attention,

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Los Angeles, CA 900■■

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<sup>4</sup>This is at §36624, which states in pertinent part: "At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities."

<sup>5</sup>Serial number 33059.

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**From:** Stephen Nichols  
**Sent:** Thursday, March 21, 2019 5:38 PM  
**To:** [REDACTED]  
**Subject:** Re: Chinatown Street/Pedestrian Lights with Missing Base Covers

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On Mar 21, 2019 5:24 PM, George Yu <[REDACTED]> wrote:  
<https://www.latimes.com/local/lanow/la-me-ln-electrocution-death-20190125-story.html>

-----Original Message-----

From: Stephen Nichols <33059@lapd.online>  
To: [REDACTED] <[REDACTED]>  
Sent: Thu, Mar 21, 2019 5:11 pm  
Subject: Re: Chinatown Street/Pedestrian Lights with Missing Base Covers

I dont know what happened with the Westlake incident, but if someone died the lawsuit(s) will soon follow...

On Mar 21, 2019 4:42 PM, George Yu <[REDACTED]> wrote:

Lets let BSL do their work. I would prefer natural selection like the Westlake incident to happen as that will be the only way that the City will take care of business.

-----Original Message-----

From: Stephen Nichols <33059@lapd.online>  
To: George Yu <[REDACTED]>  
Sent: Thu, Mar 21, 2019 4:05 pm  
Subject: Re: Chinatown Street/Pedestrian Lights with Missing Base Covers

can you send me a list of locations where power is being used illegally? I will do a search and destroy with the tools you graciously provided me.

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**From:** George Yu <[REDACTED]>  
**Sent:** Thursday, March 21, 2019 1:43:13 PM  
**To:** Stephen Nichols  
**Subject:** Fwd: Chinatown Street/Pedestrian Lights with Missing Base Covers

Can we do the math on how much these homeless issues costs all of us annually???

-----Original Message-----

From: George Yu <[REDACTED]>

To: Johnny Gonzalez <johnny.gonzalez@lacity.org>  
Sent: Thu, Mar 21, 2019 1:11 pm  
Subject: Re: Chinatown Street/Pedestrian Lights with Missing Base Covers

Good afternoon Johnny,

Pls note list of missing doors for Chinatown Street Lights below:

Missing light covers \*\*updated 3/20/19

709 N Hill (Hill/Ord)

733 New High

418 cottage home

S/E spring & alpine

1019 N Broadway

S/E Alameda & Bauchet St

Missing light

777 N Broadway street light was hit by poultry delivery truck years back.

Also at 1200 N Spring Street previously 311'd the RV dwellers tweekers has vandalized 2 street light and are stealing power. I'm also addressing with LAPD/LADOT. Let's not have another smoldering instance like what occurred early morning in Westlake recently.